




Approved by: Juan Williams, Commissioner	Policy Number: 12-002 (Rev. 07/15/19)
Signature: 	Supersedes: 12-001; 12-002; 12-002
Application: Executive Branch Agencies and Employees, Agency Human Resource and Budget Officers	Effective Date: February 16, 2014
Authority: T.C.A. § 4-3-1703, T.C.A. § 8-30-104, T.C.A. § 8-30-207	Rule: Chapter 1120-04

Executive Service Compensation

The Department of Human Resources determines salary rates for various human resources transactions using the criteria outlined herein, except during periods of budgetary constraints, as determined by the Department of Finance & Administration and the Department of Human Resources. In addition, a budget constraint involving a funding source may, as determined by the Department, affect all similar human resources transactions in the same manner, regardless of the funding source.

Approval Process

When an agency desires to appoint, promote, transfer or demote an executive service employee, a request must be forwarded to the Commissioner of the Department of Human Resources for approval. When an agency desires to appoint, promote, transfer or demote an executive service employee to a deputy commissioner, assistant commissioner, or equivalent, the request must be approved by the Commissioner of the Department of Human Resources and the Governor's office. An appointing authority should consider the following when requesting salaries for executive service employees: internal equity; agency budget; business needs; duties and responsibilities; knowledge, skills, abilities and competencies; training and education; and, total work experience.

Requests for exceptions to the parameters outlined below will be reviewed by the Commissioner and/or the Commissioner's designee, with particular attention being given to equity across the state in the job classification, scope of responsibilities, span of control; total percentage of increase for promotions and transfers, and, any overall state budget restrictions or financial management plans which may be in place at the time of the request. The Department of Human Resources has final approval based on statewide internal equity. Employees in the executive service must be paid at least the minimum salary for the range in which their job classification falls, and may not be paid above the maximum of that same range. To determine if an employee is moving to a higher or lower salary grade, DOHR shall consider the midpoint of each salary range.

Starting Salary

An appointing authority may authorize a salary up to fifteen percent (15%) above the minimum of the pay range for individuals who are new to state government or up to fifteen percent (15%) above the previous base salary for those returning to state government within two (2) years of his or her separation date.

Promotion

An appointing authority may authorize a salary increase up to fifteen percent (15%) for employees moving to a position in a classification with a higher midpoint. Employees who require more than a fifteen percent (15%) increase to reach the minimum salary of the new pay grade must receive an increase to obtain the new minimum salary.

Transfer/Reclassification

An employee moving to a position in the same classification or pay range will not receive additional compensation, unless there is a salary equity issue, or the employee will perform additional duties of greater scope and complexity than those in the current position.

An appointing authority may authorize an increase of up to ten percent (10%) for an employee moving to a position in a different job classification within the same pay grade if the job responsibilities in the new job classification constitute a change in the employee's career path.

Demotion

An employee who moves to a position in a classification with a lower midpoint shall have his or her salary moved to a rate below the new range maximum. If the salary is already within the new range, the new salary rate should not normally be more than a fifteen percent (15%) reduction. In no instance can the reduction equate to less than the minimum of the new range.

Pay for Additional Responsibilities

An appointing authority may authorize a differential of up to ten percent (10%) above the current base salary when additional job responsibilities which are more complex than the employee's current duties, or which would normally be part of a higher job classification, are assigned. The differential may be permanent or temporary, and the accompanying request must include information detailing the additional duties and responsibilities. If the responsibilities will be temporary, the employee must sign an awareness statement, indicating understanding of a temporary adjustment. When the additional duties are no longer being performed, the differential should be removed.

Salary Equity Adjustment

Equity adjustments of up to ten percent (10%) may be authorized by the appointing authority to lessen the severity of existing salary inequities between one employee and another in the same job classification. Particular attention will be given to employees within the same work unit and agency. Requests for equity adjustments to apply retroactively are limited to sixty (60) days or four (4) pay periods, whichever is less. Upon receipt, the request will be sent to the Agency Resource Center (ARC) for processing, provided the employee has not received an equity adjustment within the last twelve (12) months.

Preferred to Executive Status Change

An employee who moves from a preferred service to the executive service may receive up to ten percent (10%) salary adjustment.

Questions regarding this policy should be directed to Agency Resource Center (ARC).